GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:152
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Manufacturing of Set Top Boxes
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether since the digitization of broadcasting sector the demand for indigenous set top boxes are on the rise;
(b) if so, the details thereof;
(c) whether the Government proposes to promote indigenous manufacture of set top box for cable/DTH TVs; and
(d) if so, the details thereof and the action taken in this regard so far?

Answer

(a) and (b): Since the digitization of broadcasting sector, the demand for indigenous set top boxes has increased substantially. As per the Consumer Electronics and Appliances Manufacturers Association (CEAMA), the indigenous production of Set Top Boxes (STBs) during 2013-14, 2014-15, and 2015-16 (estimate) is as under:

Year	Indigenous Production (in million nos.)
2013-14	4.5
2014-15	5.5
2015-16 (estimated)	9.0

(c) and (d): Government is promoting indigenous manufacturing of STBs for cable/DTH TVs. Following major steps have been taken for promotion of indigenous manufacturing of STBs:

1. Tariff structure has been rationalized for indigenous manufacturers as under:
(i) Basic Customs Duty (BCD) has been increased to 10% on imported set top boxes to provide protection to indigenous manufacturers.
(ii) Major parts required for the manufacturing of STBs are permitted at zero BCD.
(iii) The issue of Central Sales Tax being charged at VAT rate (12.5%) for indigenous STB manufacturers has been resolved by enabling the Multi System Operators (MSOs) to issue 'C' Form to indigenous manufacturers.
2. Modified Special Incentive Package Scheme (M-SIPS) provides subsidy for investments in capital expenditure - 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs to the indigenous manufactures of STBs.
3. Under a project funded by the DeitY, an Indian Conditional Access System (iCASTM)) has been developed successfully. The iCASTM is available to indigenous STB manufacturers at a price of USD 0.5 per license for a period of three years, as against market price of USD 4-5 per license for other competing products.
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